

December 3, 2020

## **LANDMARK ANTI-CORRUPTION PROVISIONS INCLUDED IN ANNUAL DEFENSE BILL**

*Changes Would Bring U.S. Anti-Corruption Law in Line with Other Advanced Economies*

Washington, D.C.— A final congressional agreement on funding for the U.S. Department of Defense was made public today. The agreement includes important provisions to update U.S. anti-money laundering laws.

Negotiators concluded that the anti-money laundering provisions are appropriate to include in the defense spending bill because existing gaps, as extensively documented by Transparency International’s global network of experts and advocates, allow corrupt foreign officials to exploit our financial system, threaten regional and global stability, and endanger U.S. national security.

Transparency International’s U.S. Office issued the following statement about the inclusion of the Corporate Transparency Act in the National Defense Authorization Act for Fiscal Year 2021:

Congress is right to include corporate transparency in the National Defense Authorization Act of 2020. U.S. anti-money laundering laws have not been updated in twenty years, and we have seen the alarming, real-life consequences. Outdated laws have made it easy for corrupt officials to drain wealth from their own countries, hide the illicit funds in the U.S., and profit from our large and comparatively stable economy. It’s long past time to bring our laws into the modern era, and the U.S. in line with other advanced economies.

Globally, ending the abuse of ‘anonymous’ companies — an effort that has been in the works for more than a decade — is recognized as one of the most important changes we can make to fight corruption. That’s because, up until now, the U.S. was the easiest place in the world to set up anonymous companies where corrupt officials and other bad actors hide stolen money. Legislation that exposes these criminals and their illicit activities to the bright, sanitizing light of day is long overdue.

Ending the abuse of anonymous companies is also recognized as one of the most important changes we can make to protect U.S. national security. Anonymous companies have been used by terrorist groups like the Taliban and Hezbollah to launder money in order to finance insurgency around the world. This bill strengthens our defenses against those who would do us harm and protects our financial system by creating important new tools to combat illicit finance.

In these divided times, we're proud to be part of the coalition of incredibly diverse stakeholders and legislators that came together to pass this crucial reform.

### **Related Resources**

- [Read the full text of the measure in the National Defense Authorization Act for Fiscal Year 2021 \(begins at page 2950 of the bill\)](#)
- [Letter to Congress from Diverse Coalition of Organizations on the Corporate Transparency Act and the National Defense Authorization Act for Fiscal Year 2021](#)
- [Op-ed: Offshore Finance Hurts Us—All of Us](#)

### **Media Contact:**

Scott Greytak, Advocacy Director, Transparency International—U.S. Office

Telephone: +1 614-668-0258

Email: [media-us@transparency.org](mailto:media-us@transparency.org)

Twitter: @transparencyUSA